

FEDERAL EMPLOYEES RETIREMENT SYSTEM BENEFITS OVERVIEW

FERS

Presented by:

Matt Anderson
Financial Advisor

January 11, 2023



EDUCATIONAL PRESENTATION

- This presentation is educational only
 - No specific financial or retirement is being offered
 - Facts and opinions expressed are based on research and experience but are not endorsed by the federal government.
-

This presentation is being conducted by First Command Financial Services, Inc. (FCFS) to provide federal benefits training to attendees to educate them on the federal retirement systems, both FERS and CSRS. It should not be viewed as a solicitation or recommendation for any particular product or service offered by FCFS or its related entities. FCFS may receive compensation for providing this training. The speaker/presenter for this presentation is associated with First Command Financial Planning, Inc. (FCFP), a subsidiary of FCFS, as a Financial Advisor. Attendees will be given the option to request contact by FCFP. Attendees will not be contacted by FCFP unless they request to be contacted. FCFS, its related entities, including FCFP and its Financial Advisors, will receive compensation if you purchase any products and services offered by FCFS and its related entities



FEDERAL EMPLOYEES RETIREMENT SYSTEM

- FERS Annuity
- TSP
- FEGLI
- FEHB
- FLTCIP
- Survivor Benefits



FERS RETIREMENT PLAN

- FERS provides retirement benefits from three different sources:
 - Basic Benefit Plan
 - Hired pre-January 1, 2013 – .8% employee contribution (FERS)
 - Hired post-January 1, 2013 – 3.1% employee contribution (RAE)
 - Hired post-January 1, 2014 – 4.4% employee contribution (FRAE)
 - Social Security – 6.2% employee contribution
 - Thrift Savings Plan
- Special rules apply to air traffic controllers, law enforcement personnel and federal firefighters

RETIREMENT ELIGIBILITY

- MRA and 30 years of creditable service
- Age 60 and 20 years of creditable service
- Age 62 and 5 years of creditable service
- MRA and 10 years of creditable service
 - This benefit reduced by 5 percent a year for each year under age 62

DEPARTMENT OF DEFENSE

CIVILIAN LEAVE AND EARNINGS STATEMENT LES

VISIT THE DFAS WEB SITE AT: WWW.DFAS.MIL

1. Pay Period End

01/01/22

2. Pay Date

01/07/22

2. Name [REDACTED]				4. Pay Plan/Grade/Step NH 03 00		5. Hourly/Daily Rate 71.83		6. Basic OT Rate 71.83		7. Basic Pay + Locality/Market Adj = Adjusted Basic Pay 149902.00 0.00 149902.00		
8. Soc Sec No [REDACTED]				9. Locality % 16.73		10. FLSA Category E		11. SCD Leave 01/28/85		12. Max Leave Carry Over 240		13. Leave Year End 01/01/22
14. Financial Institution - Net Pay SCOTT CREDIT UNION					15. Financial Institution - Allotment #1 SCOTT CREDIT UNION					16. Financial Institution - Allotment #2		
17. Tax		Marital Status	Exemptions	Add'l	18. Tax		Marital Status	Exemptions	Add'l	19. Cumulative Retirement		20. Military Deposit
FED		W	0	0				0	0	FERS: 19260.74		
			0	0								

21.	Current	Year to Date	22.
GROSS PAY	5746.40	5746.40	
TAXABLE WAGES	4862.97	4862.97	
NONTAXABLE WAGES	83.43	83.43	
TAX DEFERRED WAGES	800.00	800.00	
DEDUCTIONS	4246.16	4246.16	
AEIC			
NET PAY	1500.24	1500.24	

CURRENT EARNINGS

TYPE	HOURS/DAYS	AMOUNT	TYPE	HOURS/DAYS	AMOUNT	TYPE	HOURS/DAYS	AMOUNT
REGULAR PAY	80.00	5746.40						

DEDUCTIONS

TYPE	CODE	CURRENT	YEAR TO DATE	TYPE	CODE	CURRENT	YEAR TO DATE
ALLOTMENT, SV	(1)	2200.00	2200.00	DEBT, AGY VOL		100.00	100.00
FEGLI	H0	24.32	24.32	FEGLI OPTNL	AB	28.80	28.80
FEHB	314	62.66	62.66	MEDICARE		82.11	82.11
OASDI		351.10	351.10	RETIRE, FERS	K	45.97	45.97
TAX, FEDERAL		530.43	530.43	TSP SAVINGS		800.00	800.00
DENTAL		20.77	20.77				

LEAVE

TYPE	PRIOR YR BALANCE	ACCRUED PAY PD	ACCRUED YTD	USED PAY PD	USED YTD	DONATED/ RETURNED	CURRENT BALANCE	USE-LOSE/ TERM DATE
ANNUAL	240.00	8.00	208.00	54.00	230.25		217.75	
SICK	1394.50	4.00	104.00		38.00		1460.50	



FERS RETIREMENT ANNUITY

The annual retirement annuity is calculated by taking an employee's high-3 average and multiplying it by a factor tied to length of service.



FERS RETIREMENT ANNUITY COMPUTATION

High-3 Average:

Average of highest consecutive 36 months of pay.



FERS RETIREMENT ANNUITY FACTORS

- ① High-3 average pay
- ② Length of service
- ③ Age
1% if under age 62 or age 62 or older
with less than 20 years of service, or
1.1% if age 62 or older at separation with
20 or more years of service

$$\overset{\textcircled{1}}{41,833} \times \overset{\textcircled{2}}{25} \times \overset{\textcircled{3}}{1.1\%} = \text{Annual Annuity } \$11,504$$

CURRENT EARNINGS

TYPE	HOURS/DAYS	AMOUNT	TYPE	HOURS/DAYS	AMOUNT	TYPE	HOURS/DAYS	AMOUNT
REGULAR PAY	80.00	5746.40						

DEDUCTIONS

TYPE	CODE	CURRENT	YEAR TO DATE	TYPE	CODE	CURRENT	YEAR TO DATE
ALLOTMENT, SV	(1)	2200.00	2200.00	DEBT, AGY VOL		100.00	100.00
FEGLI	H0	24.32	24.32	FEGLI OPTNL	AB	28.80	28.80
FEHB	314	62.66	62.66	MEDICARE		82.11	82.11
OASDI		351.10	351.10	RETIRE, FERS	K	45.97	45.97
TAX, FEDERAL		530.43	530.43	TSP SAVINGS		800.00	800.00
DENTAL		20.77	20.77				

LEAVE

TYPE	PRIOR YR BALANCE	ACCRUED PAY PD	ACCRUED YTD	USED PAY PD	USED YTD	DONATED/ RETURNED	CURRENT BALANCE	USE-LO TERM DA
ANNUAL	240.00	8.00	208.00	54.00	230.25		217.75	
SICK	1394.50	4.00	104.00		38.00		1460.50	
RESTORED	3.25				3.25			01/01/
TRAVEL COMP	1.00				1.00			
TIME OFF AWD	16.00		40.00		56.00			
HOLIDAY				17.00	97.00			
ADMIN					9.00			

BENEFITS PAID BY GOVERNMENT FOR YOU

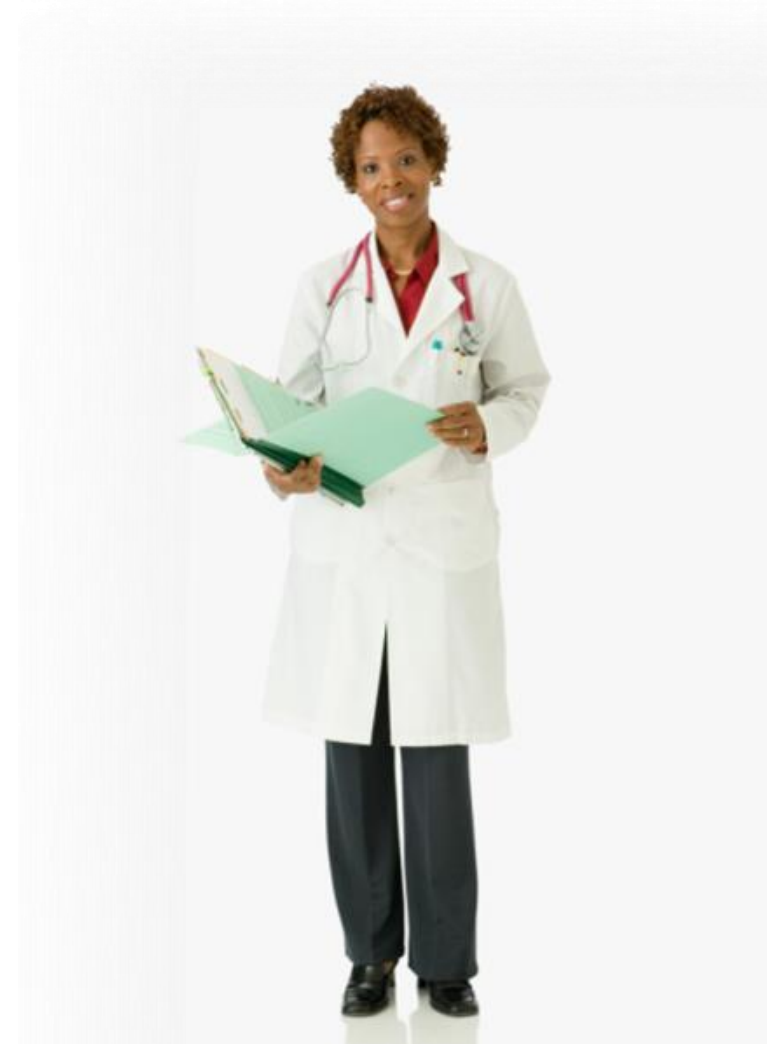
TYPE	CURRENT	YEAR TO DATE	TYPE	CURRENT	YEAR TO DATE
FEGLI	12.16	12.16	FEHB	188.00	188.00
MEDICARE	82.11	82.11	OASDI	351.10	351.10
RETIRE, FERS	1057.34	1057.34	TSP BASIC	57.46	57.46
TSP MATCHING	229.86	229.86			

REMARKS

YOUR PAYROLL OFFICE ID NUMBER IS 97380100 - DEPARTMENT OF DEFENSE.
 PRETAX FEHB EXCLUSION \$ 62.66

FEDERAL EMPLOYEE HEALTH BENEFITS

- Eligibility:
 - Generally, all federal and postal employees and retirees
 - Many temporary and special category workers
- Types of enrollment:
 - Self
 - Self Plus One
 - Self and Family
 - Children under age 26
 - Children with disability that existed before age 26



FEDVIP

- Qualify if eligible for FEHB coverage, even if not enrolled in FEHB
- Self, self + one, self and family
- Dental only, vision only, both or neither
- Employee pays entire premium
- No pre-existing conditions limitations



FEDERAL LONG TERM CARE INSURANCE PROGRAM

- Eligibility:
 - Generally anyone eligible for FEHB program
 - Uniformed services
 - Parents, parents-in-law, stepparents and same-sex domestic partners
- Enrollment:
 - Anytime – no need to wait for an open enrollment period
- Underwriting
 - Abbreviated or full
- Premiums vary based on age and selected coverage



FEDERAL LONG TERM CARE INSURANCE PROGRAM

- The U.S. Office of Personnel Management (OPM) has announced the plans to suspend applications for coverage under the Federal Long Term Care Insurance Program (FLTCIP), effective December 19, 2022.
- The suspension will remain in effect for 24 months unless OPM issues a subsequent notice to end or extend the suspension period. Individuals not currently enrolled in FLTCIP by Dec 19, 2022 may not apply for coverage, and current enrollees may not apply to increase their coverage until the suspension is lifted.

SURVIVOR BENEFITS



3 TYPES OF SURVIVOR BENEFITS

1. Spouse
2. Former spouse
3. Insurable interest

FERS PRE-RETIREMENT SURVIVOR BENEFITS

18 MONTHS TO 10 YEARS OF SERVICE

- Lump-sum of \$40,300 *plus*
- Lump-sum of higher of 50% of employee's annual basic pay at time of death *or* 50% of employee's high-3 average salary *plus*
- Any Social Security benefits available *plus*
- Any TSP benefits *plus*
- Child Survivor Benefits if any eligible children

FERS PRE-RETIREMENT SURVIVOR BENEFITS

10+ YEARS OF SERVICE

Surviving spouse receives 50% of deceased spouse's basic annuity.

Example with 10 or more years of service:

Employee age 50, passed away with 20 years of service. His high-3 pay was \$60,000.

$\$60,000 \times 20 \text{ yrs.} \times 0.01 \text{ (1\%, < age 60)} = \$12,000$

$\$12,000 \times .50 = \$6,000 \text{ annual survivor annuity}^*$

*Plus Child Survivor Benefits if there are eligible children

CHILD SURVIVOR BENEFITS

With a surviving spouse, the survivor benefit is \$512 per month per child, up to three children, with a maximum total benefit of \$1,537 per month.



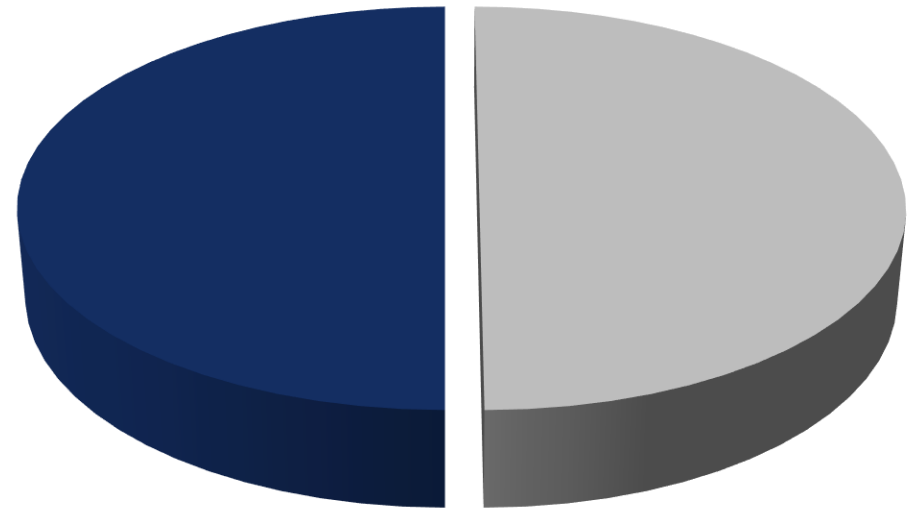
CHILD SURVIVOR BENEFITS

Without a surviving spouse, the survivor benefit is \$615 per month per child, with a maximum total benefit of \$1,845 per month.



FERS RETIREMENT SURVIVOR BENEFITS

Surviving spouse of a retired FERS employee is eligible for a retirement annuity equal to 50% of the retiree's full annuity.



Must elect minimum survivor benefit for spouse to keep FEHB.

FEDERAL EMPLOYEES RETIREMENT SYSTEM

- FERS Annuity
- TSP
- FEGLI
- FEHB
- FLTCIP
- Survivor Benefits





©2022 First Command Financial Services, Inc. is the parent company of First Command Brokerage Services, Inc. (Member SIPC, FINRA), First Command Advisory Services, Inc., First Command Insurance Services, Inc. and First Command Bank. Securities products and brokerage services are provided by First Command Brokerage Services, Inc., a broker-dealer. Financial planning and investment advisory services are provided by First Command Advisory Services, Inc., an investment adviser. Insurance products and services are provided by First Command Insurance Services, Inc. Banking products and services are provided by First Command Bank (Member FDIC). Securities are not FDIC insured, have no bank guarantee and may lose value. A financial plan, by itself, cannot assure that retirement or other financial goals will be met.

In the United Kingdom, investment and insurance products and services are offered through First Command Europe Ltd. First Command Europe Ltd. is a wholly owned subsidiary of First Command Financial Services, Inc. and is authorized and regulated by the Financial Conduct Authority. Certain products and services offered in the United States may not be available through First Command Europe Ltd. In Germany, we provide financial planning services through Financial Planners associated with First Command Europe Ltd.

First Command Financial Services, Inc. and its related entities are not affiliated with or endorsed by the U.S. government or U.S. Armed Forces, and are not affiliated with, authorized to sell or represent on behalf of, or otherwise endorsed by any federal employee benefits programs that may be referenced in this presentation.